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ABSTRACT

This brief presents summary information and contacts/references for a sampling of programs and resources that have been developed to support small business workplace literacy projects. Twenty-two contacts are included: Finger Lakes Regional Education Center for Economic Development; Development Assistance Corporation; Wayne Community College; American Association of Community and Junior Colleges; Cumberland Hardwoods; Winamac Spring Company; Basic Education Skills Training Workplace Literacy Program; Southport Institute for Policy Analysis; National Association of Printers and Lithographers; Bethlehem Area Chamber of Commerce (Pennsylvania); Continuing Education Institute; Normandale Community College; Mississippi Office for Literacy; Illinois Secretary of State Literacy Office; GRASP Adult Learning Center; Quinsigamond Community College; Adult Learning Resource Center; United Electric Controls/Middlesex County Employment and Training (Massachusetts); Work, Achievement, Values, and Education; Virginia Literacy Foundation; Performance Plus Learning Consultants; and American Institutes for Research. Each entry may contain the following: contact name, organization, address, telephone number, and program description. An 11-item reference list provides the following: title, publisher, author, product information, ordering address and telephone number, and cost. Also included with this document is a newsletter article: "The Large Matter of Small Business." (NLA)

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Brief

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Workforce & Workplace Literacy
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Small Businesses

Small businesses, defined by the U.S. Small Business Administration as those with fewer than 500 employees, are key to the American economy. They represent over 99 percent of all firms in the U.S., account for more than half of private sector employment, and generate 47 percent of the gross national product. Most small businesses are very small. Three-fourths of them employ 20 people or less; about half employ between 1 and 4 workers. Nevertheless, they—like their larger counterparts—must confront the ramifications of growing global competitiveness, introduction of new technology into the workplace, and the need for changing work structures. At the same time, there is a growing mismatch between rising educational requirements for the jobs of the 1990s and onward and the nature and qualifications of the country's present and developing workforce. While this dilemma impacts on all businesses, small businesses face an especially difficult challenge in meeting the skills upgrading needs of their workers because of such barriers as cost, lack of awareness and know-how, and lack of management personnel to plan for employee training.

BCEL's July 1990 Newsletter carried a feature article, *"The Large Matter of Small Business,"* discussing the above issues in detail (the article is reprinted in full at the end of this Brief). A number of major reports issued shortly thereafter reinforced BCEL's analysis—including *America and the New Economy* (put out by the American Society for Training and Development) and *Worker Training: Competing in the New International Economy* (from the Congressional Office of Technology Assessment). While action and awareness in the small business universe still lags behind that for medium and large businesses, there have been some other notable advances in the intervening period—e.g. a few studies dealing significantly with small businesses and their need for worker skills training have been completed; some new curricular materials have been developed; and several skills upgrading programs have been implemented or are being tried out in numerous small business settings, sometimes as part of a larger workforce/workplace consortium, sometimes or the direct initiative of an individual business.

The federal government has also begun to take an interest in small business literacy needs, as have a handful of states. For example, Title II of the National Literacy Act of 1991 contains two provisions which will assist small businesses when funding is appropriated. A National Workforce Literacy Assistance Collaborative within the U.S. Department of Labor (DOL) aims in general to improve the basic skills of persons who are marginally employed or unemployed. The program will help small and medium-sized businesses, unions, and trade associations that represent small and medium businesses develop and implement literacy programs tailored to their specific needs. The National Workforce Literacy Strategies program of the U.S. Department of Education (DOE) will develop, test, and replicate cost-effective and instructionally-effective workplace literacy strategies for the nation through the funding of large-scale models that involve partnerships between and among local, regional, statewide, and industry-wide public and private sector groups. To be developed in consultation with the DOL and the U.S. Small Business Administration, the DOE program will give priority to partnerships involving small businesses. Moreover, the Workplace Literacy Initiatives grant program of DOE has since fiscal 1988 provided funding for several small business literacy projects.

At the state level, there are also some promising activities under way. Mississippi is the first, and so far only, state to experiment with a business tax credit as a way to motivate both small and large businesses to become involved and invest in employee basic skills programs. Massachusetts and Illinois have for some years had

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statewide workplace and workforce literacy grant programs set in the context of comprehensive plans, and many small businesses—individually and in consortial arrangements—have been recipients of funding. Last year in California, the Governor signed into law one of four bills based on the findings of the California Workforce Literacy Task Force. The new law requires firms with 25 or more employees to provide assistance with illiteracy problems to any employee who requests it. In Oregon, Virginia, and Connecticut, again as part of comprehensive statewide planning, small businesses are one target of concern.

Contacts

The following people/organizations are operating employee basic skills programs for or in small businesses, providing significant technical assistance in the development of such programs, engaged in research on the issue, or operating grant programs in support of small business projects:

1. **David Mathes, Director, Finger Lakes Regional Education Center for Economic Development**, 3501 County Road 20, Stanley, NY 14561, (716) 526-6438. The Center is the education provider for a regional workplace literacy program, involving both large and small businesses, in the Rochester (NY) area. Based on its extensive experience with the program, which includes such giants as Eastman Kodak and the Delco Division of General Motors, the Center has developed curricular materials and a video which are available to other companies and literacy providers. The *Finger Lakes Regional Education Center Workplace Literacy Curriculum* is a generic program to upgrade the basic skills of workers at or above 7th-grade reading level in manufacturing and other business settings. Modules in Workplace Mathematics, Workplace Written Communications, and Workplace Oral Communications include both teacher materials and students' text and activities. The video, *Workplace Literacy: Putting Minds on the Job*, identifies through specific examples some essential elements of successful programs and at the same time illustrates the importance of building programs based on a company's specific needs. Also available is a paper written by Mathes, *"Workplace Literacy: Raising the Floor of Education in the Workplace."* For ordering information on the video, the modules, and the overall curricular program (the paper is free), call the Center at (800) 441-4540, or (800) 245-4220 in New York State.

2. **Donald J. Cichon or Mary Ana Heath, Development Assistance Corporation** (DAC), 410 Dover Point Road, Dover, NH 03820, (603) 742-6300. DAC recently completed a two-year workplace ESL demonstration project in nine companies, four of which were small businesses. Each company had a different geographical location, approach to employee training, and workforce make-up—as well as an established instructional program for its ESL employees in partnership with an outside education group. DAC's role was to expand and develop the programs to make them more bilingual in nature, make the curriculum more job-related, attend more to the cultural needs of the workers, and develop program components to enhance employee participation. As an outgrowth of the project, DAC developed *Job-Related Training for Limited-English Proficient Employees*. The two-part publication—a *"Handbook for Program Developers"* and a *"Guide for Decision Makers in Business and Industry"*—aims to help companies and education/literacy provider groups design their own bilingual basic skills programs. The complete set is available for $59.95; the Guide alone is $12.95 (prices include postage and handling). To order, contact DAC at the address or phone number shown above.

3. **Marcellette Morgan, Wayne Community College**, Caller Box 8002, Goldsboro, NC 27530, (919) 735-5151. Project ENABLE (Eastern North Carolina Adult Basic Skills Lab for Employability) is a two-year pilot program at Wayne Community College designed to help employees of small businesses in the area improve their job and academic skills in order to keep up with changes in the workplace, and thereby increase productivity. The project was developed by the North Carolina Rural Economic Development Center and the North Carolina Department of Community Colleges. All instruction is computer-assisted, and one-on-one tutorials are offered to students who cannot read or have other special needs. To recruit businesses and students, Project ENABLE representatives give presentations to small business owners who refer their employees.

4. **Lynn Barnett, Associate Director, Office of College/Employer Relations, American Association of Community and Junior Colleges** (AACJC), One Dupont Circle NW, Suite 410, Washington, DC 20036, (202) 728-0219. In 1990 the AACJC made one-year grants of $10,000 to each of 10 rural colleges around the U.S. The grants were used to initiate partnership programs with local businesses or job training, civic, or government organizations to bring literacy training to

their workforce. The participating companies—most of which were small businesses—represented a wide range of industries including food processing, fishing, farming, trucking, and manufacturing. The results of this successful project—including continuation of most of the programs with local funding—are highlighted in both a report and a video. *Rural Workplace Literacy: Community College Partnerships* is a 14-page booklet describing the activities and outcomes of the 10 projects. Limited quantities of the booklet are available at $4 each from Lynn Barnett at the address shown above. The video, *Rural Workplace Literacy*, comes in two lengths: one covers a national teleconference about the project including pre-recorded video segments about each program and a live panel discussion, and the other is a 30-minute edited version. To order the video ($50), contact Bob Crook, Dallas County Community College District, Center for Educational Telecommunications, 9596 Walnut Street, Dallas, TX 75243, (214) 952-0304.

5. **Janet Davis, Human Resources Manager, Cumberland Hardwoods**, PO Box 6368, Sparta, TN 38583, (615) 738-5264. Cumberland Hardwoods is a small manufacturer of parts for furniture and kitchen makers. Faced with national and international competition, Cumberland had invested heavily in new equipment a few years ago only to discover that many of its 114 workers lacked the basic skills needed to learn and operate it. In response Cumberland launched an on-site, job-related program in 1989 to improve the employees' basic reading, writing, oral communications, computing, and problem-solving skills. Today more than 95 percent of Cumberland's workers, who are given released time to participate, are involved in basic skills and technical classes.

6. **Joe Holmes, Personnel Administrator, Winamac Spring Company**, Highway 14 West, PO Box 160, Winamac, IN 46996, (219) 946-6121. Winamac Spring, with a workforce of some 360 people located in a rural area, manufactures heavy duty springs for trucks, tractors, and trailers. To make up for a lack of local training opportunity—and to help upgrade workplace safety, productivity, and product quality—the company launched an on-site workplace program last year for its 225 hourly employees. The program, assisted by the nearby El-Tip-Wa Adult Career Center, serves a wide range of educational needs. The curriculum focuses on skills that underlie job specific tasks such as charting gauge and control charts related to statistical process control, reading blueprints and manuals, and completing accident reports and other forms. Low-skilled employees get special computer-assisted instruction in reading, English, and math, and all workers can use the computers on their free time. The program was implemented with a Workplace Literacy Initiatives grant from the U.S. Department of Education and in-kind company contributions (including employee released time). Winamac plans to continue the program on its own now that the federal grant has expired.

7. **Susan Westberry, Coordinator, BEST Workplace Literacy Program**, Maury County Board of Education, 501 West 8th Street, Columbia, TN 38401, (615) 388-8403. The Basic Education Skills Training program (BEST) was developed in 1989 as a workplace demonstration model by the Maury County Board of Education in partnership with 14 local companies, representing both large and small businesses. The model is considered suitable for employers who wish to help their workers upgrade their education to a high school level. The program has three unique features: provision of education services to multiple employers simultaneously, scheduling that accommodates both straight and swing shift workers without requiring released time, and the use of a simple half-hour test to identify learning disabled students. During the first 15-month pilot phase of the program, a 73 percent employee retention rate was achieved, as well as an 82 percent high school diploma pass rate. *The BEST Blueprint: Quality ABE in the Workplace*, an 82-page guide for developing and implementing the BEST program elsewhere, is available as E.D.#324427 through the ERIC Clearinghouse, (800) 443-ERIC.

8. **Amy Praskac, Project Director, Southport Institute for Policy Analysis** (SIPA), 820 First Street NE, Suite 460, Washington, DC 20002, (202) 682-4100. SIPA is in the midst of a two-year study of decision-making in small and medium-sized businesses as it relates to employer investments in worker skills upgrading. A major goal is to develop public policy incentives for bringing about a substantially increased private sector investment in workplace basic skills training. (The *JUMP START* report, which received major national attention and provided the impetus for the National Literacy Act of 1991, was prepared by SIPA.) See also #11 under References on page 8.

9. **Fern Dickey, WorkPLACE Program Assistant, NAPL Communications**, 780 Palisade Avenue, Teaneck, NJ 07666, (201) 342-0707. The Carl Didde WorkPLACE Program is an industry-wide curriculum developed by the National Association of Printers and

Lithographers (NAPL) in consultation with Linda Stoker of the Essential Skills Resource Center and representatives of several graphic arts and printing companies. The job-related program aims to bolster the basic skills of the employees of NAPL's 3700 member companies—many of them small businesses—and prepare the workers for career advancement. Three segments of the curriculum are currently available: the *Manager's Sourcebook*, the *WorkPLACE Skills Inventory and Administrator's Manual*, and the *On-the-Job Math Computations Course*. NAPL indicates that three more segments will be released during 1992: the *Critical Thinking & Problem-Solving Course*, the *WorkPLACE Communications Course*, and the *Graphic Arts Process Course*. NAPL has established an information hotline at (800) 258-7323, and can tap into a database of instructors qualified to help with program implementation on a local level. For more information, call the hotline or Fern Dickey at (201) 342-0707. To order the available segments, call the NAPL Customer Service hotline at (800) 642-NAPL.

10. **Joan Lipiec, Workforce Education Coordinator, Bethlehem Area Chamber of Commerce**, 459 Old York Road, Bethlehem, PA 18018-5870. About three years ago the Bethlehem Chamber of Commerce designated the workforce skills issue a top priority. After careful study by its education committee, the Chamber concluded that it could best have an impact on workforce literacy not by offering direct training, but by acting to create a link among businesses, providers, and other interested parties. During 1989-91, the Chamber—with State Department of Education funding—developed and disseminated information about workforce literacy to local companies and their employees, and created an ongoing system of information linkage between businesses and literacy provider groups in the area. A network of nine other local chambers in the Lehigh Valley area has been organized, through which the Chamber model is being extended.

11. **Lloyd David, President, Continuing Education Institute** (CEI), 35 Highland Circle, Needham, MA 02194, (617) 449-4802. CEI is a nonprofit educational provider that works with both large and small businesses. With partial support from the Workplace Literacy Initiatives grant program of the U.S. Department of Education, it has developed and implemented ESL and basic skills programs for several small nursing homes and a consortium of long-term care providers in the Boston area. Two of these programs, the Franvale Nursing Home in Braintree and the Armenian Nursing Home in Jamaica Plains, are highlighted in the Berkeley Planning Associates study on workplace efforts in small business (see #2 under References on page 6).

12. **Heather Huseby, Director, DIRECTIONS Workforce Education Program, Normandale Community College**, 4900 Viking Drive, Suite 105, Edina, MN 55435, (612) 832-6395. The DIRECTIONS basic skills program is administered by Normandale Community College in partnership with the College's Small Business Development Center. The organization's work with small businesses has been discussed in several national studies, and the group now offers consultation, expertise, and models to large and small businesses and educators on a statewide basis.

13. **Judy Lipscomb, Director, Office for Literacy**, Barefield Complex, 455 North Lamar Street, Jackson, MS 39202, (601) 359-6754. In 1991 the state of Mississippi, which two years earlier had approved a 25 percent tax credit for companies providing basic skills training to their workers, launched its Skills Enhancement Project (SEP). The SEP helps large and small businesses in the state identify their training needs and develop individual programs to meet those needs. Once programs are actually set up, with the businesses paying a share of the costs, the companies are eligible for the tax credit. Only a year after the tax credit program was announced, some $600,000 in tax credits was awarded to businesses in the state, with the recipients themselves contributing $2.5 million.

14. **Ann Belletire, Workplace Literacy Consultant, Secretary of State Literacy Office**, 431 South Fourth Street, Springfield, IL 62701, (217) 785-6921. For fiscal 1992, the Workplace Literacy Grant Program administered by the Secretary of State's Literacy Office, awarded $250,000 in grants to some 32 companies with matching funds of nearly $627,000 provided by the recipients. Small businesses number significantly among the grantees. A new provision in the FY93 grant program will encourage even more participation on the part of small businesses by permitting those within the same industry—e.g. tool and die casting—to apply jointly for funding with one firm serving as fiscal agent. The Literacy Office also serves as a statewide information clearinghouse on employee basic skills programs and literacy providers, and provides technical assistance to help businesses implement basic skills programs.

15. **Cheryl Judice, Executive Director, GRASP Adult Learning Center**, 825 Chicago Avenue, Evanston, IL 60202, (708) 328-4420. GRASP, established in 1975, works with small businesses in the Chicago region, providing basic skills, ESL, and high school equivalency courses as needed. GRASP has set up an ESL program for Latin American employees at nearby Carmen's Pizzeria and offers ESL instruction to other Chicago-area firms. The curriculum is customized to each particular job setting.

16. **Kathy Rentsch, Project Coordinator, Workplace Education, Quinsigamond Community College**, 670 West Boylston Street, Worcester, MA 01606, (508) 853-2300, ext. 358. Over the past five years, Quinsigamond Community College has operated ESL, basic skills (including math), and GED classes for 20 or so employers, many of them small manufacturing companies. Quinsigamond works with companies on an individual contractual basis or through consortial arrangements supported by public sources.

17. **Linda Mrowicki, Project Director, or Monica Lynch, Project Coordinator, Workplace Literacy Project, Adult Learning Resource Center**, 1855 Mt. Prospect Road, Des Plaines, IL 60018, (708) 803-3535. The Workplace Literacy Project provides customized basic skills courses to business and industry in Northern Illinois. Since 1988 it has served over 30 companies, the majority of which are small and medium-sized manufacturers. Project staff design instruction based on needs assessment and literacy task analyses of selected departments and jobs. Instructors then deliver the courses on site either on company time or partial released time. The Project operates primarily in partnership with businesses and a variety of federal and state workplace literacy grants. Two products developed by the Project are available for $7.50 each prepaid: *A Basic Skills Core Curriculum for the Manufacturing Industry* and *A Workplace Literacy Core Curriculum for Beginning ESL Students*. To order, contact the Adult Learning Resource Center at the address shown above.

18. **Fred Ritzau, Vice President, Human Resources, United Electric Controls**, 180 Dexter Avenue, Watertown, MA 02172, (617) 926-1000, or **Jim Ward, Middlesex County Employment and Training**, 14 College Avenue, Somerville, MA 02144, (617) 628-0300. United Electric Controls Company is a family-owned business which manufactures temperature and pressure instruments for chemical plants, refineries, fast food outlets, and other processing industries. The company has a workforce of 450 people, 350 of them based at its headquarters in Watertown. Headquarters is the site of a four-year-old employee ESL program begun in 1987 with funding from the Massachusetts Workplace Education Initiative. The program began after a supervisor formed an "action center," a process by which small groups of workers come together to solve workplace problems. The problem in this case was that many employees had difficulty understanding job instructions because of their limited knowledge of English. So the group conducted a survey which confirmed the need for ESL help. The result was a collaborative effort in which the Middlesex County Employment and Training Department designed the job-related curriculum and provides the teachers. Classes are given primarily on paid time and meet twice a week for 2 1/2 hours at a time (including the workers' half-hour lunch break). The program, which is strictly voluntary, has become an ongoing part of the overall business operation and a tool for worker involvement in implementing company strategies. When new policies or programs are introduced in the workplace, they are discussed in class. Over the past four years, the program has expanded to include basic skills as well as ESL. As part of the initial funding agreement, the state's role has been gradually decreasing. In 1991 United Electric covered 35 percent of the costs; by 1993 it will be covering 100 percent.

19. **Donna Sizemore-Elliott, Vice President of Communications, WAVE**, 501 School Street SW, Suite 600, Washington, DC 20024-2713, (202) 484-0103. Formerly known as the 70001 Training and Employment Institute, WAVE (Work, Achievement, Values & Education) is a national nonprofit organization established in 1969. While its primary focus is on education and employment services for at-risk youth, it has recently moved seriously into the area of work-based basic skills and employability training for small businesses. With funding from the U.S. Department of Labor and in cooperation with the National Federation of Independent Businesses, in 1989 it surveyed the attitudes, practices, and investments of some 16,000 small businesses with respect to basic skills training for their employees. Then, based on the survey results, through mid-1991 it carried out a national demonstration project involving small businesses in the childcare, printing and publishing, and auto repair and service industries. Working with and through professional and trade associations, it conducted job task analyses in a sampling of small businesses in each industry, assessed

employee skills needs, and otherwise helped the associations plan for suitable programs of instruction. In one case, childcare, it also developed and implemented the actual employee program. WAVE is now planning two new job skills and employability programs, one for elderly people who will be hired by small businesses, the other for a small employment firm which supplies workers to small businesses in the Alexandria, Virginia area.

20. **Mark Emblidge, Executive Director, Virginia Literacy Foundation**, PO Box 1125, Richmond, VA 23208, (804) 225-8777. Together with the State Office of Adult Literacy, the Virginia Literacy Foundation has placed workplace education specialists in five community colleges around the state to serve as brokers between local employers and adult education organizations, help match employers with suitable literacy service groups, foster the development of small business consortia, and map out strategies tailored to local needs and resources.

21. **Jorie Philippi, President, Performance Plus Learning Consultants**, 7869 Godolphin Drive, Springfield, VA 22153, (703) 455-1735. Performance Plus is a national technical assistance organization which specializes in developing workplace literacy programs for small and medium-sized businesses. The group has years of solid experience and has also developed job-specific curriculum and tests for the military, educationally disadvantaged young adults, large corporations, state and federal agencies, private industry councils, and others. In addition, it has done major work with the textile, metalworking, industrial maintenance, and banking industries. Ms. Philippi operates a regular program of workshops and seminars around the country, usually offered in conjunction with her new workplace skills program training manual, *Literacy At Work: The Workbook for Program Developers* (see #1 under References).

22. **Daniel Felker, Director, Small Business Project, American Institutes for Research**, Washington Research Center, 3333 K Street NW, Suite 300, Washington, DC 20007, (202) 342-5000. In September 1991, with funding from the U.S. Department of Education, the American Institutes began a two-year project that will result in a guidebook for small businesses faced with the need to retrain and upgrade the basic skills of current and potential workers. The aim is to identify and examine a wide range of current programs as well as commercially-produced instructional packages, evaluate them and the contexts in which they are being used, and develop a framework and guidelines by which small business employers will be able to "predict a successful program," design their own program, or make sound judgments about suitable external programs to purchase.

[Note: In addition to those listed in this Brief, several other national technical assistance groups offer help in designing and implementing skills upgrading programs for small businesses. A description of them and their qualifications is given in BCEL Brief #2, which is available for purchase from BCEL.]

References

1. *Literacy At Work: The Workbook for Program Developers* is a workplace skills program training manual developed by Jorie Philippi of Performance Plus Learning Consultants. The manual is designed to help businesses implement effective job-related basic skills programs. It is available for $200 from Simon & Schuster Workplace Resources, PO Box 1230, Westwood, NJ 07675-9855, (800) 223-2336. Performance Plus offers seminars and workshops to train local organizations in program implementation and use of the manual (see #21 above).

2. *Workplace Education Efforts in Small Business: Learning from the Field*—prepared by Berkeley Planning Associates for the U.S. Small Business Administration, March 1991. The study analyzes workplace literacy programs at 18 small companies—examining such issues as employer motivation, needs assessment, program start-up and operating costs, curriculum content and instructional approaches, support services, measures of success, and models for program delivery. The report reveals that all of the programs were begun at no cost to the companies through the efforts of outside professionals and public funding and that, once under way, at least half of the employers were willing to continue the programs at their own expense. It also identifies a number of steps that can be taken either to increase participation by small businesses in literacy programs or to improve the quality of already-existing programs. Available for $23 from the National Technical Information Service, U.S. Department of Commerce, 5825 Port Royal Road, Springfield, VA 22161, (800) 553-6847.

3. *Workplace Basics Training Manual*--Carnevale, Gainer & Meltzer for the American Society for Training

and Development, 1990. The manual provides step-by-step guidelines for planning and implementing an effective workplace skills program, including how to perform a task analysis, design the curriculum, do a cost benefit analysis, and evaluate program results. One chapter is devoted to types of providers, including a discussion of the important and growing role that community colleges can play in the delivery of services. Available for $34.95 from Jossey-Bass Inc., 350 Sansome Street, San Francisco, CA 94104. A companion book, *Workplace Basics: The Essential Skills Employers Want*, analyzes what skills employers are looking for and need in the workforce of today and tomorrow. Also available for $34.95 from Jossey-Bass.

4. *WORKER TRAINING: Competing in the New International Economy*—from the Congressional Office of Technology Assessment, September 1990. This comprehensive state-of-the-art study examines U.S. worker training and retraining needs in an international context and in terms of what it will take to maintain the American standard of living and remain globally competitive. A major focus of the study is the special problem that small businesses face. The report concentrates on skills upgrading for already-employed workers because this will have the greatest competitive impact in the near and medium term. Available for $12 from the Superintendent of Documents, Dept. 33, U.S. Government Printing Office, Washington, DC 20402-9325. Specify GPO Stock #052-003-01214-6.

5. *America and the New Economy*—by Anthony Carnevale of the American Society for Training and Development (ASTD), 1991. Based on five years of applied research in the world of work, the study discusses the forces that are shaping the "new economy," and the corresponding new skills and higher levels of literacy that will be required of American workers. The report emphasizes that investment in employee training pays off in increased productivity, and it calls for a much greater commitment on the part of employers to training workers at all levels and in companies of all sizes. Single copies available from ASTD Customer Service, 1640 King Street, Box 1443, Alexandria, VA 22313, (703) 683-8129.

6. *A Review of the National Workplace Literacy Program*—by Pelavin Associates, Inc. for the U.S. Department of Education (DOE), May 1991. The study looks at 37 programs funded by the DOE's first round of national workplace literacy grants in FY 1988. It identifies a number of characteristics shared by effective workplace programs and also recommends ways to improve and guide future grantmaking in the ongoing DOE program. In conducting its review, Pelavin made site visits to six of the programs, including small businesses, which are profiled in the report. For a free copy, contact Tammy Fortune, Clearinghouse for Adult Education & Literacy, U. S. Department of Education, Mary Switzer Building (Room 4414), 400 Maryland Avenue SW, Washington, DC 20202-7240, (202) 732-2396.

7. "*Smart Moves for Small Business*," U.S. News & World Report, June 3, 1991. This feature article discusses the critical shortage of skilled workers as one of five major issues that small businesses must address if they are to remain competitive in the decade ahead. Examples of a successful in-house apprenticeship and a job-related training effort involving several manufacturers are put forth as possible program approaches.

8. "*Key Business Information Resources*" is a descriptive brochure listing U.S. Small Business Administration publications with prices and ordering instructions. The brochure is available from the Office of Advocacy, U.S. Small Business Administration, Mail Code 3114, 409 3rd Street SW, Washington, DC 20416, (202) 205-6958. Among the publications currently listed are *The State of Small Business 1990* (the annual report of the President to the Congress) and *The States and Small Business: A Directory of Programs and Activities 1989* (which gives a state-by-state listing of offices, programs, and legislation affecting small businesses and an appendix listing all Small Business Development Centers). [Note: Both publications are in the process of being updated.]

9. *Workforce Education Programs in Florida* is a county-by-county directory of programs run by adult education providers in the state as of 1990. Each entry includes the program contact and address, a business/industry affiliation, information on the target group served, the nature of the program and its costs, and services available to students. For a free copy contact John Lawrence, Bureau of Adult and Community Education, Department of Education, 325 West Gaines Street, Room 1244, Tallahassee, FL 32399, (904) 488-8201.

10. *Closing the Gap: Meeting the Small Business Training Challenge in Connecticut*—by Richard C.

Harwood, 1989. This report analyzes the obstacles and opportunities for meeting the training needs of small businesses in the state. Public and private sector action is called for in four areas: strengthening the content of on-the-job training programs, improving delivery of such programs, increasing communication between suppliers and consumers of training, and developing better coordination. Copies are available for $15 from Jobs for the Future, 48 Grove Street, Boston, MA 02144, (617) 628-6661.

11. *Ahead of the Curve: Basic Skills Programs in Four Exceptional Firms*—from the Southport Institute for Policy Analysis, April 1992. In a two-year project of the Southport Institute, corporate decision-making is being studied as it relates to basic skills training in small and medium-sized companies (see #8 under Contacts on page 3). This publication is the project's first release. It analyzes and details the elements of extraordinarily successful employee basic skills programs at four small business manufacturing firms: the William Dudek Manufacturing Company in Chicago; Harbor Industries in Grand Haven, Michigan; Phoenix Specialty Manufacturing in Bamberg, South Carolina; and Weber Metals in Paramount, California. The cases presented are drawn from among some 72 studied by the Institute. Available for $25 prepaid from the Southport Institute for Policy Analysis, 820 First Street NE, Suite 460, Washington, DC 20002, (202) 682-4100.

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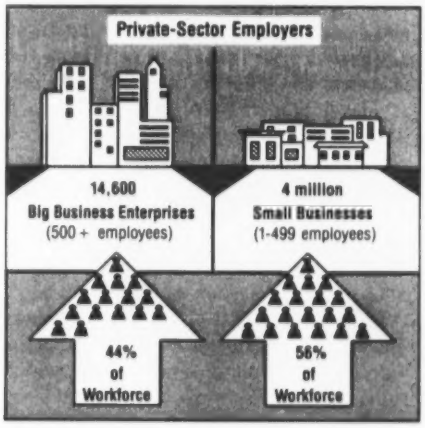
THE LARGE MATTER OF SMALL BUSINESS



That U.S. growth and world markets have become tightly interwoven and the American economy increasingly internationalized is by now clear to everyone. What may not yet be fully appreciated is the extent to which new patterns of work organization need to be adopted in companies of all size and types throughout the country. To be sure, a number of companies are already moving in this direction, but according to *America's Choice: Higher Skills Or Lower Wages?* – the powerful new report just released by the Commission on the Skills of the American Workforce (see News In Brief, p. 5) – the nation has only scratched the surface and there will need to be a radical restructuring of work throughout the economy, as a national priority, if the U.S. is to increase productivity and the American standard of living protected.

Along with this national imperative, indeed hand-in-hand with it, every major report of the last two years makes it abundantly clear that developing a higher skilled workforce, literally across the board, must be an equal priority. As Secretary of Labor Elizabeth Dole recently put it: "The basic skills of our workforce are eroding at an alarming rate. Many of our workers are unready for the new jobs and the new realities of the 1990s. We face nothing less than a workforce crsis."

The best forecasts are that by the end of the decade, for the first time in history, a majority of new jobs will require some postsecondary education. There will be fewer jobs for people in low skills categories (27% of new jobs compared to 40% today). Jobs that require a middle level of skills today will be the least skilled occupations of the future.

But demographic shifts are moving us in an opposite direction. As recent studies have shown, between 1986 and the year 2000 the rate of population growth will decline to nearly its lowest level in the 20th Century. The working age population will grow older and the pool of young workers will shrink. It will also be a more disparate pool: 28% of labor force growth will be Hispanic; over 17% black, over 11% Asian-American; and women will make up 60% of the potential growth. In short, non-whites, immigrants, and women will together constitute 80% of the new entrants into the workforce, though they comprise only about half of it today – and these population groups tend to be the most disadvantaged and the least skilled!

Moreover, three out of four adults who will be employed well into the next century are already at work. Of these, 23 million workers presently read at an 8th grade level or less; 11-14 million at 4th grade or less.

The growing mismatch between rising educational requirements and the nature of the present and developing workforce falls hard on all businesses. But it falls hardest on the nation's small businesses which have fewer resources and fewer options than their larger counterparts.

Ironically, the lion's share of national attention – in the form of research, federal and state legislation, and public funding for workplace literacy – is focused on big business. Yet, the dominant form of business in the U.S. is small. According to the U.S. Small Business Administration [*Workplace Literacy: Targeting the Future*, 1988], small firms represent over 99% of all firms in the U.S.! They are, then, at the very heart of the American economy and our ability to increase overall productivity, remain globally competitive, and protect our standard of living. What affects them affects us all.

Small Businesses: A Thumbnail Sketch

Item. Small businesses, as defined by the Small Business Administration (SBA), are those with fewer than 500 employees. *There are more than 4,000,000 small businesses across the country*, as contrasted to only 14,600 business "enterprises" having more than 500 workers.

Item. *Small businesses account for more than half of private sector employment (56%) and generate 47% of the gross national product*.

Item. *Most small businesses are VERY small*. About 2 million of them employ from one to four persons. Another 1.3 million employ between 5 and 20 persons. Those with 100-499 employees, usually refered to as "medium-sized" businesses by SBA, number fewer than 100,000.

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Item. *Small businesses generate two out of every three new jobs in America* – for which they have been dubbed "the job machine." They are labor intensive, in contrast to big companies where capital is substituted for labor. About 10.5 million new jobs were created in American business between 1980 and 1986; almost two-thirds of it came from small businesses. More than a third came from businesses with fewer than 20 workers.

Item. *Small businesses have shorter tenure on the job and a higher turnover rate than large ones*. For example, a 1984-85 study for the SBA by Berkeley Planning Associates showed that 27% of workers in small firms left their jobs that year, compared with 15% of workers in larger firms. In part, this is related to the kinds of workers they tend to hire: low-skilled entry level workers, teenagers, women re-entering the job market, older persons, and part-timers – in short, those with a weaker or temporary attachment to the labor market.

Item. *Small businesses pay lower wages than large ones*, partly because they are heavily concentrated in the service sector. This contributes to the greater movement in and out of jobs. For example, according to a 1988 report by SBA [*Small Business in the American Economy*], the hourly small business wage in 1984 was less than $5 for 56% of firms having 100 or fewer employees, and between $5-10 for 34% of such firms.

High Turnover: A Special Issue

The Commission on the Skills of the American Workforce reports that one-third of all American workers today – some 35 million people – are part-time, temporary, or under short-term contract, making up a huge "contingency" workforce. Because this body of workers is not seen as promotable or permanent, employers have no reason to invest in their training and upgrading. This turnover is costly in both productivity and quality of work. While employers enjoy the advantage of paying lower wages and having a workforce they can shrink or expand to fit their fluctuating labor force needs, they pay a price: the loss of productive workers to competitors ... the burden of greater paperwork associated with payrolls and regulatory requirements... loss of employee loyalty... the diversion of management away from production activities to recruitment and hiring... and the like. *In a smaller firm, a single vacancy is generally more disruptive than in a large one, even if it can be filled quickly and with minimal training*.

The Impact Of Computers

Some 70% of American firms having more than 10 employees are already using computers. Their use implies the ability to read and to process the information generated. It is worthy of note that while manufacturing firms lost employment from 1980-86, the losses were concentrated in very large companies, particularly in auto and steel production. Manufacturing firms with fewer than 100 employees actually added 800,000 employees during this period. This came about through the use of computerized machine control technology which made it feasible to turn out goods in shorter production runs, and through an increase in "contracting out" to big firms for production of subcomponents and sub-assemblies. Small businesses, again like their larger counterparts, will be even more computerized in the coming years, with the greatest growth in very small firms, further increasing the pressure for skills upgrading and other educational services.

Direct Barriers To Skills Upgrading

There is little more than anecdotal information about the extent of employer-based basic skills programs in American business and industry. But recent research strongly indicates tht only a miniscule percentage of company training expenditures currently go into basic skills programs. According to the American Society for Training and Development (ASTD), the nation's employers spend about $30 billion per year in direct costs for formal training courses that they either provide themselves or buy from outside providers – excluding wages paid while employees are participating in the training. This represents, on average, 1-2% of payroll. Additionally, about $180 billion is spent on informal training. In an article published in the February/March 1990 issue of the *AACJC Journal*, Anthony Carnevale, chief economist at ASTD, estimated that "companies are spending only about $250 million of the $30 billion formal training pie on reading, writing, math, and other basic skills."

Moreover, not only does "training" not usually mean basic skills, but it rarely extends to entry-level workers. Only about 13% of American workers get formal on-the-job training, and mostly they are the more highly educated personnel: managers, supervisors, professionals, and upper level technical workers.

If little is known about workplace skills programs and expenditures in bigger companies, even less is known about small businesses and how they fit into the overall scenario. "No statistics are published by the federal government on training,' says the SBA. And "data on training by firm size are even more difficult to obtain."

Here is some of what is known, however, largely from the work of SBA, ASTD, and, more recently, The 70001 Training & Employment Institute. *(Note: In a project for the U.S. Department of Labor, the Institute is working to develop models of structured workplace learning for small businesses. The Institute has examined the training practices of several thousand firms with under 100 employees, averaging 20 employees per firm, in industries projected to be among the fastest growing. In a recent and as-yet-unpublished report to DOL, the Institute reconfirmed or provided anew many of the facts that follow.)*

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• Because small businesses provide the majority of new workers with their first work experience, they are at the frontline of teaching work socialization: punctuality, perseverance, how to get along with fellow employees, communicate with the supervisor, accept responsibilities, and the like. Thus, they contribute significantly to the general productivity of the workforce.

• The nature of the work environment in small firms forces them to demand more from their employees than larger firms do. "In a small business," says the Institute, "every person is critical. Each person is very much on his/her own, making hourly decisions ... Small firm employees pitch in where and where they are needed, which requires them to understand and function in a wider range of skill areas. Job descriptions are less defined than those in larger firms."

• While it might be expected that small firms would compensate for the low skills of their marginal workforce with job-related basic skills programs, in fact, according to the Society for Human Resource Management, "almost half of employers with 500+ employees provide some basic skills instruction, while only 19% of firms with fewer than 100 employees, and 18% of firms with 100 to 499 employees, do so."

• Of the companies surveyed by the Institute which do not provide basic skills services, nearly half said that they do not hire persons with basic skill deficiencies so have no need to do so. More than a third of the companies surveyed said their employees have no need for such services. Among the smaller companies, nearly one-fifth identified a lack of expertise in assessing and meeting remedial needs, and 15% said workplace literacy programs are not their responsibility.

• Education that is provided to small business employees is mostly general job training, and not addressed to job-specific basic skills needs. It tends to be more informal and unstructured than in large companies – following the boss or supervisor around to get oriented to the job, for example, or watching co-workers, generally trial and error. This is largely because each and every employee is needed on the job. Time away from the shop floor or desk substantially disrupts operations. In larger firms, when an employee is absent or off-site to attend classes there are others on hand to make up for it.

• To the extent that formal training does occur in small businesses, it generally occurs off-site. Lacking internal resources, small firms have no choice but to turn to outside sources for their training needs. ASTD indicates that large companies buy almost 40% of their formal training from outside providers, mid-size employers buy an even larger share outside, and small employers go outside for nearly everything. [Note: The problem here is that most outside provider groups are not themselves trained in assessing workplace needs and designing workplace programs.]

• The greatest barrier to any kind of small business education is the problem of costs. Over half of the firms reporting to the Institute say outright that they can't afford the educational services they would like to provide. Indeed, it is the "perception" of the vast majority that such programs are simply too expensive an investment for their small-scale operations.

• Most analysts think that for small businesses to meet their employees' educational needs, they will need to link with local or state consortia or even to turn to bigger businesses for help. Yet, small firms have a natural fear of losing their trained workers through such arrangements. They tend to see "up" as "out," and the huge turnover problem is already a major disincentive. Nearly half of all small employers view their turnover as too high to justify the cost.

• It is perhaps encouraging that a majority of the firms surveyed by the Institute said they would increase their "training" activity over the next 3-5 years – reflecting presumably a growing concern about workforce quality. But the smaller companies indicate that they will not make an investment on which they will not receive significant and immediate return. Moreover, small firms, unlike big ones, tend not to have human resource directors, in-house divisions, or consultants to manage and develop training. The boss or the boss's spouse or the secretary, each consumed with many other duties, must often deal with these and other matters. Put another way, the resources are simply not there to address the multiple factors that must be taken into account if skills problems are to be met.

The implications are clear. And they are disconcerting. While there may well be a dawning consciousness among small businesses about workforce skills upgrading needs, most small employers do not yet grasp just how serious the problems are that face them just around the corner. In the main, it hasn't hit home that with the looming labor shortage and the graying of the workforce, they will be less and less able to turn to the traditional pool of entry-level workers. "Demographics are going to force the issue," says SBA economist Thomas Grey. The bottom line is that "if small businesses don't increase productivity, they won't survive." They will have no choice but to compete with big business and pay higher wages.

This, in fact, is already happening. The National Federation of Independent Businesses reports that the number of small firms paying higher compensation rates has risen steadily over the past two years, an increase that correlates with local labor shortages. Moreover, the older workers who will have to be hired in the years to come will want and need health and pension plans, which are offered only infrequently by small businesses now. All of this will increase costs. The choice that confronts small business is either to cut profits, to cut wages in exchange for benefits, or to increase productivity and let that pay for the higher cost of doing business. But to increase productivity, a more highly skilled workforce will definitely be required. So we have come full circle.

To compound things, while many small employers are beginning to see that job-specific skills training will be necessary to prepare workers for handling sophisticated equipment and processes, neither they, nor large employers for that matter, adequately recognize that persons who function at severely low levels of English speaking, reading, writing, and math won't automatically be able to succeed in a skills upgrading program. They may first need help with more basic "social coping skills." Where new immigrant groups are concerned, for example, ESL experts consider the development of speaking and listening skills, and often psychological counseling and workplace acculturation, to be prerequisites for learning to read and write.

Given the complex scenario outlined above, and the immense pressures on small businesses, the challenge to them and the nation is daunting. How can attitudinal problems be overcome? What kind of programs should be designed, and how? How will it all be paid for? Who should be responsible for what? What are the public policy implications? How can the logistical problems be addressed? The sheer number of small businesses and the isolated circumstances in which many of them operate make it impractical to deal with certain of their problems individually: wholesale strategies that address common problems seem to be needed. These and numerous other questions loom large and there are no easy answers.

Two Prototypes To Consider

Rochester, New York. In some places, the driving force bringing small employers into basic skills programs is concern with the quality of their products. Rochester, a heavy manufacturing region, is an excellent example. Many of the small companies in the area are part of vast supplier networks to major corporations such as Xerox, Eastman Kodak, and others. The AC Rochester Products Division of General Motors, for example, the division responsible for fuel injectors and catalytic converters, has 2,446 suppliers in that region alone. Eastman Kodak has over 400 minority and women-owned suppliers. These giant corporations set quality standards for their own products and impose them on their suppliers as well. They often set a time by which a supplier must reach a set standard of statistical process control, a system for monitoring product quality, and warn that the relationship is in jeopardy if the goals are not met.

The small businesses in turn buy automated equipment to meet these goals. In addition, many of the suppliers, which may range from 10 to 200 employees, are adopting "cellular manufacturing" or "high performance work teams" like those long used in Japan. These are groups of flexible workers able to produce a variety of products, with each team member knowing the jobs of all the other members of the cell. Each cell may consist of perhaps 8-16 workers.

To operate the new equipment, workers need greater basic skills proficiency. Working together in the cells requires higher communication skills. For statistical process control, which is a subset of mathematics, they need better math skills.

The agency that serves them is the Finger Lakes Regional Education Center for Economic Development, one of 10 New York economic development regions operated by the state education department. The Center is a consortium of education providers. It includes the Rochester city school district, the vocational technical high schools, and the two- and four-year colleges, all of which draw in the small businesses through the supplier network and the unions, the latter playing a vital role.

The Center has developed generic curricula for the basic skills needed in the workplace, as well as a curriculum in statistical process control, in decision-making, problem-solving, and basic computer literacy. These were designed into mastery learning modules, with the modular units planned so that appropriate instruction can be plugged in and delivered anywhere as needed: on site, in a learning center, the union hall, or wherever appropriate. Because Rochester is a wide-spread region, the providers are assigned to specific geographical areas. But because of the pre-packaged modular curriculum, employees in the smallest tool company with 50 or so employees in the outermost corners of the state receive the same advantages of training as the large in-house programs in Rochester such as Eastman Kodak, say, with its 46,000 employees.

By all reports the system works. Union members know that to stabilize their jobs they must upgrade skills. They also know that the programs put them on a path to upgrading they otherwise would not have, and it provides for portability of skills. The training does not deal with the literacy needed to work on any particular machine, which may be changed next month, but on how to work in a manufacturing environment. The upgrading also helps to create a level playing field for all the companies and thus to stabilize the problem of turnover. For these reasons,the unions and the workers themselves are viewed as indispensable participants in the program planning.

A testament to the success of the program are the remarks of Bud Holler, vice president of the UAW Local 1097, speaking for both AC Rochester and the union: "During the three years we've conducted workplace literacy programs at AC, we've lowered the cost of the product by 47%. In some areas of the plant we've been able to increase quality by over 800%, and they say most of that is due directly to the training. As a result AC Rochester has developed a capacity to attract contracts with foreign companies including Japan, Germany, Korea, and a major contract with the Soviet Union for selling catalytic converters and fuel injectors. That would not be possible without the quality poduct of the supplier chain."

Holyoke, Massachusetts. Hampden Papers, based in Holyoke, employs 185 people. The firm buys paper, paper boards, chemicals, metallic coil and plastic film, and converts them into paper products. None of these products are sold retail; they are supplied to other manufacturers who in turn use them as components in their own products. Hampden serves more than 50 different markets comprised of manufacturers who produce boxes, bags, luggage, game boards, book covers, match boxes, and an array of similar goods.

Mondays to Fridays, from noon to 5:00, twelve workers who are currently enrolled in a company learning program attend classes on the premises. Most attend on their own time, but three are released from their jobs for three hours a week. Those who go to class on their own time, whether before or after their shift, are paid their regular hourly wage by Hampden. The classes are geared to improving the basic education of the workers, but the study materials deal with the tasks they perform on their jobs. The work-oriented basic skills curriculum is flexible. It includes, as needed, English as a second language, adult basic education, and prepaation for the GED. Classes are taught by an instructor from the International Language Institute of Massachusetts, a private, nonprofit school. They are paid for jointly by the Massachusetts State Workplace Education Initiative and the company, with the latter now matching 100 percent of the state's funds with cash and in-kind contributions.

The program is about to enter its third year, with a total of 20 workers having participated so far. The results range from improved confidence to job promotions to three participants who are ready for or have passed the GED. There is on-going oversight by an advisory board comprised of representatives from the company, the union, the school, the area Private Industry Council, and the local Chamber of Commerce.

How did a small paper manufacturing plant in a small New England town find itself in the business of teaching basic skills?

"We're an old company, we've been here for 110 years," says Robert Fowler, president of Hampden Papers. "But now we're on a collision course between two conflicting trends. One is that in our shop the requirements for reading, writing, and handling basic arithmetic are increasing. There used to be a time when we had people working here who were functionally illiterate. We had plenty of jobs for them. But today we don't have jobs like that, not a single one. Our business has become much more sophisticated. We used to use a machine, for instance, that produced 1500 lineal feet of paper a day. At that rate, we could say to the operator, 'Push the green button in the morning, the red button in the afternoon, and call us if you need help.' But while we've been replacing the old machines with the new ones that produce more, the level of workers coming for jobs has declined dramatically. These machines are very complex, they've got control panels that look like NASA. They produce enormously more per man hour, but they also require a great deal more from the machine operator per man hour. At one time, if the man did it wrong the penalty was that he spoiled two reams of paper. Now if he does it wrong he spoils enough paper to stretch the entire length of Massachusetts."

"We always assumed that basic literacy was society's job," says Mr. Fowler, "but given what we're faced with now, management has a clear choice. We can do nothing or do something and I don't think we can afford to do nothing."

Laying Foundations: A Nucleus To Build On

In addition to the pathbreaking models detailed above, there are other promising pockets of activity around the country that should help light the way. Much of it has been generated by new federal funding for workplace literacy demonstrations over the last two years, some of it going to support projects by or for small businesses. Also at the federal level, major new literacy legislation pending in Congress includes further provision for strategic projects in workplace literacy. Although it does not focus specifically on the special needs of small business – in fact no new legislation has this focus! – it is likely to be used in part for that if enacted.

On the policy development front, several national studies in process should help out. One such study is that being carried out for the Small Business Administration by Berkeley Planning Associates, a California-based group experienced in labor market research for federal and state government. Berkeley is presently studying some 25 workplace programs focused on small businesses, and by the end of this year or early next year hopes to put out a report containing "how-to" information for small businesses and education provider groups.

Another study being carried out for Congress by the Office of Technology Assessment gives considerable attention to small businesses, and its final report will eventually be available publicly, possibly late this year. The work of The 70001 Institute for the Department of Labor is a further example and it will go well beyond research into actually developing prototype models. And the Southport Institute for Policy Analysis, which produced the *JUMP START* report, is planning to undertake an 18-month study of how and why companies invest in workforce basic skills as a basis for developing public and private policy options to encourage companies to invest substantially more. The project, to be carried out in partnership with the National Federation of Independent Business Foundation, is to include case studies of corporate decision-making in some 60 small to medium-sized firms in several states.

Of equal value in this vein are projects, one new and one nearing completion, addressed to the following two substantive problems:

The importance of designing workplace programs and assessing learning in terms of "functional

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context" is well established by research. Traditional academic and school-based approaches are generally not suitable. But functional context education is a new concept for most literacy and education professionals, indeed for businesses large and small, and few of them have the know-how to apply it. To help overcome this obstacle, the National Alliance of Business (NAB) is presently organizing a national advisory panel for a long-term effort to devise a national strategy to help large and small companies conduct functional context literacy programs as part of their job performance improvement efforts. A chief thrust of the effort will be to develop curriculum that can be used eventually to teach large numbers of adult and vocational education personnel and community college people how to develop functional context skills programs and train trainers for small businesses. Simon & Schuster Workplace Resources will publish the guides and curriculum produced in the project. In a sense NAB will itself be learning as the project moves along, for as Brenda Bell, a senior program official there, puts it: "The tools, language, and processes needed on the job are not yet adequately studied."

Another problem we face in developing programs for all of business and industry is that we don't know with enough precision just what kinds of skills are needed for specific entry-level jobs. The Educational Testing Service is two years into a three-year project to address this matter. It is examining occupational clusters around the country in industries projected by *Workforce 2000* to be the fastest growing. Judith Norbeck of ETS indicates that the point of the study is to learn exactly what skills workers in such industries will need to perform their jobs. The study is covering a range of job functions in five specific entry-level jobs that are common to several kinds of work environments – such as banking, insurance, manufacturing, health care, and government work. Its overall purpose is to lay the base for subsequent development of suitable testing instruments and instructional programs in both small and large work settings.

Two national associations have also embarked on projects that should benefit small businesses and help advance national thinking about them. After a year-long development period, the National Association of Printers and Lithographers is about to release an industry-wide basic skills curriculum for its membership of largely small businesses (see Corporate Literacy Action, p. 14). In the banking industry, many members of the American Bankers Association are small businesses and should benefit from the industry-wide basic skills program already being marketed by Simon & Schuster Workplace Resources (see Tools Of The Trade, item 27, p. 12). The design experts behind these efforts are Cox Educational Services based in Dallas and Performance Plus Literacy Consultants of Springfield, Virginia, and both are engaged in designing programs for other small businesses as well. Moreover, the banking and graphic arts efforts are examples of wholesale approaches and are significant as such. They are also significant because they are based on national surveys of need and built around functional tasks that at-risk workers actually encounter on their jobs.

At the state level – in Massachusetts, New York, Illinois, the Carolinas, Alabama, Virginia, Mississippi, and elsewhere – a variety of initiatives are also under development, usually with the strong involvement of governors' offices, and often under the leadership of unions.

In Alabama, for instance, large and small businesses are networking with each other, with support from state agencies. The state's Small Business Development Office learned that several factory representatives were looking for small manufacturers to supply products to their large industry customers. Interested in helping small minority businesses, they linked the two, with basic skills training coordinated by the state office and delivered through the community college system.

The Massachusetts Workplace Literacy Initiative, which is part of a comprehensive statewide literacy plan, is developing special curricula around the statistical process control systems being adopted by many manufacturers in the state. About half of the companies participating in the effort are small businesses. In a separate effort, the Continuing Education Institute in the Boston region, using federal workplace funds, has recently developed curricula to meet the specific needs of several small nursing facilities in the area. The program may well have relevance to the nursing home industry in general.

In New York, the State Education Department is entering into contracts with local unions, or unions in consortium with education agencies, to conduct workplace programs, a number of which involve small businesses.

* * *

It bears repeating that the problems faced by Hampden Papers in Holyoke and by the Rochester community are but mini-versions of the conflicting trends that pose a threat not only to small businesses but to the well-being of the nation. In this regard, all of the activities just touched on are important for they represent a nucleus on which to build. But they are also very new and represent only a modest beginning given the scale and complexity of the problem. The fact is that very little is yet known about what they add up to or how the collective experience can be used to map an overall national course.

It won't be easy for small businesses or the nation to meet the challenge. There are huge logistical problems to be sorted out, major substantive issues to be tackled, attitudinal and awareness obstacles to be overcome, profound research and policy gaps to be filled, and a myriad of other barriers to break down and move past. Moreover, we still have large unanswered questions about adult learning itself – this is not just a small business issue – and about the new rules of a global economy which seem to change almost daily.

Some Final Issues

Spreading The Word. To overcome lack of small business awareness and involvement, aggressive and innovative "marketing" may well be needed. State economic development offices, chambers of commerce, private industry councils, and, most importantly, national trade associations must, as most analysts see it, play a central role in such an effort. With a few notable exceptions, most of these entities are presently doing very little. There are more than 6,000 national trade and professional associations in the U.S. with state and local chapters numbering in the tens of thousands. The SBA itself has over 600 small business development centers around the country to provide technical and counseling help to small businesses, most of them housed in academic institutions. But by their nature organizations such as these tend to lag in awareness themselves. Similarly, colleges, and especially community colleges, have been slow to understand and move into this arena, and in terms of potential they are thought by many to be the single most important component of the provider system because of their community orientation and/or intellectual base.

State Policy. While there is no substitute for federal policy leadership, the primary burden for setting clear and useful policy goals rests with the states. To date only a handful of states have undertaken comprehensive long-range literacy planning in the larger context of human resource and economic development. Mechanisms need to be developed, for example, to bring employers together and aggregate demands for different kinds of training. Particular industries or sectors of the economy need to be targeted in terms of their particular employment and competitive needs. And careful attention needs to be given to the use of discretionary funding so that it isn't always public providers or trade associations or industry groups receiving the support, but the group or combination of groups that can best deal with the problem, however the problem is identified.

Federal Policy. A number of persons interviewed for this article pointed to lack of a national employment policy as a major obstacle to moving forward in a clear, systematic way. The nation has not decided on a direction, they say, doesn't have a set of clear goals, no real system in place to retrain and upgrade, especially in the workplace, and, no policy relating specifically to small businesses. We do have a policy and system for moving unemployed people into jobs (through JTPA and the JOBS program, for example), but none yet for the under-employed functionally illiterate adult. Fortunately, Congress and the Department of Labor are more and more aware of this problem, spurred on by the increasingly global nature of economic competition.

The Financial Environment. No one any longer doubts that it will take a major long-term investment to address the nation's workplace and workforce problems. And it is increasingly clear that the size and nature of that investment will require the active involvement of business as well as government. Yet, while there is a trend toward employer-based skills training, it is still common among most businesses to treat worker skills upgrading as a public responsibility. Moreover, the nation's businesses are accustomed to investing for the short-term, to turn a quarterly profit, rather than investing for the longer-term future, and this mind-set works against their support for workplace literacy on a scale commensurate with the need. This is a serious problem for the nation and one in need of strong government attention.

The Need For Information. Finally, the main frustration in preparing this article, a frustration voiced by nearly everyone BCEL consulted, is that there is insufficient data collection on small businesses at the national level. Not only is much of the data thin – and virtually silent on the question of small business worker education below high-school proficiency level – but it is often conflicting, making comparisons difficult. There is a serious need for more information on the characteristics of workers in small firms as contrasted to large. Data are gathered at the present time by a patchwork of government agencies, often on an ad hoc basis. ■